

June 19, 2012

Mr. Dick Muri
10240 Bridgeport Way SW, Suite 112
Lakewood, WA 98499

Mr. Muri:

It has been brought to my attention by concerned citizens and constituents that there have been some disparaging remarks at community forums and debates regarding the City of University Place's financial condition. The intent of this letter is to provide you with correct and accurate financial information for your future use in discussions regarding University Place.

Financial Stability

University Place has a balanced budget, is meeting, and will continue to meet all of its financial obligations through 2013 and into the future. At the beginning of the current economic downturn in 2008, the City Council made tough decisions to make major cutbacks in expenditures, including significant staff reductions. In keeping with this proactive approach, the City serves as a regional model as it continues to budget with very conservative revenue assumptions and has remained financially stable and secure.

The City is current in the payment of its obligations including the costs of City operations and services, and all bond payments. Some bonds mature in 2013, and the City is working with expert financial advisors and bond attorneys to identify the best structure and timing for refinance. The City's finance professionals have identified no legal or financial obstacles to the refinance.

Town Center Progress

After the global economic downturn began and after careful study and consultation with key staff and advisors, the City Council revised the City's approach to pursuing Town Center development, while maintaining the original vision. University Place's new approach has been successful in spite of the worst economy in decades.

In 2011 the City celebrated the opening of the beautiful new University Place Library, and in 2012 the University Place Police headquarters opened. The Town Center transit park-and-ride stalls and electric vehicle charging stations were also completed.

The first private Town Center commercial tenant, the Frog & Kiwi Café, is open for business and doing well. This month, construction commenced on a new privately funded 90,000 square foot mixed use building next to the new Library/Civic Building in the heart of Town Center. This mixed-use building will cost approximately twelve million dollars and will include 100 high quality residential units and 12,000 square feet of street level retail with construction scheduled to be completed in early 2013. The City's dedicated real estate broker and staff are diligently progressing toward completion of a vibrant Town Center.

City Public Improvements Outside Town Center

In the last three years alone, the City has made significant street improvements along Bridgeport Way (between Cirque Drive and 54th Street), 40th Street (between 67th Avenue and Olympic Blvd), Grandview Drive (between 27th Street and 19th Street), and 70th Avenue (between 27th Street and 19th Street), including new sidewalks, street lights, bicycle lanes, signals, landscaping and safer street crossings. This summer the City will construct sidewalks, street lights, bike lanes, landscaping and street crossing improvements along the north side of 27th Street between Grandview and Bridgeport Way as well as along the west side of Beckonridge Drive, between Cirque Drive and Grandview.

All of these projects have been funded with grants from the federal and state governments. University Place has been very successful winning these competitive grants because of the creative and diligent staff work and the City's track record of high quality project management. Where local matching funds are required, those are usually sourced from City funds which are restricted to particular uses related to the grant-funded projects, including those limited to park improvements and storm water improvements, rather than general funds that pay for services like Police.

The City is currently seeking grant funds for significant improvements to the Mildred Street corridor (19th Street to Regents – in partnership with Fircrest), Bridgeport Way (19th Street to 27th Street) and Bridgeport Way (54th Street to Chambers Lane).

The City's resourceful and diligent staff will continue to work relentlessly to fulfill University Place citizens' great vision of a vibrant Town Center and safe walkable community.

Sincerely

Javier Figueroa
Finance Committee Chairman

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Ken Grassi
Mayor

Denise McCluskey
Mayor Pro Tem

Javier Figueroa
Councilmember

Kent Keel
Councilmember

Eric Choiniere
Councilmember

Chris Nye
Councilmember

Caroline Belleci
Councilmember